



The Commonwealth of Massachusetts
DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY

BAY STATE GAS COMPANY
D.T.E. 06-42

**FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO BAY STATE GAS COMPANY**

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Bay State Gas Company ("Bay State" or "Company") the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary L. Cottrell, Secretary of the Department and on all parties; also submit one (1) copy of the responses to John J. Geary, Hearing Officer; one (1) copy of the responses to Andreas Thanos, Assistant Director, Gas Division; one (1) copy of the responses to Alexander Kofitse, Analyst, Gas Division; and one (1) copy of the responses to Kenneth Dell Orto, Analyst, Gas Division.
8. In addition to filings, all non-proprietary responses should be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.
9. Responses are due on or before May 30, 2006

INFORMATION REQUESTS

- | | |
|---------|---|
| DTE 1-1 | Please discuss in detail how and to what extent Bay State’s acquisition by NiSource has improved the Company’s integrated resource planning process and the provision of reliable and least-cost service to its customers. |
| DTE 1-2 | Please explain whether the Company has purchased or released capacity on the secondary capacity market in the past five (5) years. In your response, please indicate the amount of capacity and cost involved in each transaction and the reasons for the purchase/release. If the Company did not participate in the secondary capacity market in the past five years, please explain why? |
| DTE 1-3 | Please refer to the Company’s filing at 3-4. Please explain whether any bidder or potential bidder objected to the request for proposals process in terms of its fairness and transparency? |
| DTE 1-4 | (a) Please discuss the ways by which the Company continually monitors the market and evaluates resource options to maintain an optimal, least-cost and reliable resource portfolio. |

- (b) Please detail the process by which the Company solicits proposals for incremental and replacement resources.

DTE 1-5 Please refer to pages 21-22 of Bay State's filing. Please rank, in order of importance, the various price and non-price factors which the Company took into consideration when making decisions regarding the replacement of its various gas supply and transportation capacity contracts. Please provide detailed reasons for the rankings.

- DTE 1-6
- (a) How many of Bay State's existing commodity supply contracts contain no load loss provisions? Also, please provide this information in terms of units of gas.
 - (b) If applicable, please identify in a tabular format the maximum daily quantity and the per unit commodity cost for all of the Company's existing commodity supply contracts that have no load loss provisions for each of the next five (5) years.
 - (c) In qualitative and quantitative terms and for each of the next five (5) years, please describe the weighted average commodity cost of gas impact the Company's existing gas purchase contracts (with no load loss provisions) will have on captive firm customers. Within this response, please identify Bay State's migration assumptions.

DTE 1-7 Please provide a table that indicates, for each supply resource contract, the elements or conditions that provide for the necessary degree of reliability needed to maintain the Company's supply reliability. Indicate those elements of the contract that provide for supply flexibility.

DTE 1-8 Provide a table that indicates for each supply resource contract how that contract fits into Bay State's efforts to assure supply diversity.

- DTE 1-9 For each long-term gas supply and transportation capacity contract and storage contract in the Company's gas supply portfolio, please provide, in a tabular form, the following information:
- (a) date the contract was entered into;
 - (b) the duration and date of expiration of the contract;
 - (c) the date that the contract was filed for Department review;
 - (d) docket number;
 - (e) the date the Department issued a decision.

DTE 1-10 Please discuss the extent to which Bay State has analyzed the impact of permanent or long-term release of long-haul capacity. Please submit a copy of

each analysis and a summary of the results. If the Company has not developed such an analysis, please discuss the reasons for not doing so.

- DTE 1-11 Please discuss the recall right provisions imposed by Bay State for each of the Company's capacity release transactions in the past five (5) years, if any.
- DTE 1-12 Please explain whether Bay State has conducted any analyses to evaluate the potential financial impact to firm ratepayers of capacity release versus magnitude and likelihood of by-pass by its commercial and industrial customers?
- DTE 1-13 Please indicate the number of firm sales customers that are dual-fuel capable and the annual volumes associated with these customers.
- DTE 1-14 Please provide a list of all firm transportation customers on the Company's system. Please indicate how many of these customers' upstream capacity requirements are provided by the Company.
- DTE 1-15 For each of the storage facilities in Bay State's portfolio, please provide a narrative of any restrictions (e.g., seasonal or otherwise) that affects the level of gas injections or withdrawals.
- DTE 1-16
- (a) Please explain whether the Company has used any risk management tools, financial or physical, in the past five (5) years to mitigate gas price volatility? If the answer is in the affirmative, how successful were they?
 - (b) If the answer to (a) is negative, please explain why, highlighting any problems and/or difficulties in the use of risk management tools.
 - (c) Does Bay State plan to use any risk management tools in the next five (5) years to reduce gas price volatility? If the answer is in the affirmative, please explain Bay State's choice of risk management tools. If the answer is negative, please explain why.
- DTE 1-17 Please refer to pages 17-18 of Bay State's filing. Please provide evidence showing that the Company sought input from marketers about the Company's intentions to acquire replacement capacity resources.
- DTE 1-18 Please provide figures showing the load reductions resulting from the implementation of the Company's demand-side management and other conservation programs in the past five (5) years by customer class.
- (a) How much of the forecasted increases in demand in the next five (5) years can be met with demand-side management programs.

- (b) Please compare the costs and environmental impacts of demand-side management, relative to meeting demand with increased levels of other resources.
- DTE 1-19 Are the Washington 10 and Vector Agreements subject to approval by any other regulatory body other than the Department?
- DTE 1-20 Please discuss in detail whether Bay State must place any collateral up-front prior to the commencement of the Washington 10 or Vector Agreements?